

## MINUTES

### **Fremont Public Access TV / Contract Renewal Committee Meeting of October 16, 2007**

Peter Bearse (PB) apologized for not completing minutes for the previous (10/9) meeting on time.

Comcast's Jay Somers (JS) remarked on the draft contract's Access provision. The language at issue was borrowed from another Comcast license, with some specified services and a contact point. Dottie Grove is President of the NH Alliance of Community Media. She is also head of Londonderry Access.

JS presented a tabulation sheet showing the franchise-related costs for build-out of the return line – about 29 cents per subscriber over a 10 year period. This is higher than the previous estimate of 25 cents per. We also need to include a cost of funds based on 11.25% interest on funds loaned to the town. This is the maximum rate permitted by the FCC [in response to a question from PB.

Keith Stanton (KS): Are there fiber optic lines in town?

JS: Yes; a new line has been dedicated.

PP: What's represented in the 29 cent figure? JS: 2 drops. Equipment is not included.

JS: There is another item not yet decided. The Franchise Fee (FF) would allow the Town to pass on about ¾% of the gross revenues (GR) paid to the Town quarterly, allowing the Town to build a fund.

PB: The evidence at hand implies a question not yet discussed as to the extent of school responsibility.

Larry Morse (LM): The school could help if there's to be a 2<sup>nd</sup> station. The school could seek grant money to recapture some costs.

Chair: What's to be obtained from Comcast?

JS: Company policy is not to provide grants, especially given the fact that satellite service is now competitive with ours.

Chair: But we (the Committee) are a start-up.

JS: Comcast could advance some funds at no interest.

PJB: Yes, like seed capital.

JS: I'll check on what's possible and report back. The FF could be graduated up to and above 5 years. Total cost (in response to the Chief) would be about 75 cents per subscriber per year.

Tom McGall (TM): What's the cost of starting up?

JS: About 15 thousand. The line wouldn't be in until about 4 months after contract signing.

Chief: Other generator included? JS: Yes, it's needed.

PB: Raised a question about Comcast's market power in relation to company policy, followed by a question to the Committee with regard to whether some of the Towns they had investigated had received equipment free from Comcast.

Chief: Not in Epping.

TM: A Comcast employee appeared at the last ('07) Town Meeting to claim that equipment could be obtained for free, but apparently this was not true. [Note: This claim helped to defeat the warrant article that would have appropriated \$400 for a capital reserve fund that would have enabled financing of public access TV broadcasting.]

LM: In years past, with an exclusive franchise provision, some towns would get a signing bonus, usually in the form of cash plus equipment. In Fremont, a significant FF is not built in.

Chief: At the end of the present contract, does the present franchise fee stop even if old equipment is not fully paid for? [JS to check]

KS: How did we end up with a franchise fee?

LM: Via the federal government's 1996 Act.

PB: What about a much higher franchise fee rate?

Chief: There's a dilemma here: Low rate vs. more services. 75 cents a month is not unreasonable. It implies a 9-10 year contract. We need a character generator plus play-back equipment. People want better quality, especially sound.

PP: Perhaps we need to present the Town with a better format. Voters want more information. Could we spread costs between the Town, School and others? People want to be informed. I'm willing to take this to the School Board to ask for money – even up to 90 percent.

TM: The Board of Selectmen don't want the Town to pay for any portion.

Chief: If there were a warrant article for money to cover public access costs, those not connected may pay, and that's not fair.

KS: For example, Larry (Morse) can't benefit; Midnight Sun can't, either. There are some people on Sun & \_\_\_\_ Ct. who may want Comcast.

JS: Such locations don't meet Comcast requirements to connect. We can't do it for just individual homes.

Chair: Let's table the preceeding and move on. What about contract length?

Chief: I move 10 years.

LM: Cost would be higher is the contract term is shorter. It may pay us to have a contract longer than 10 years.

KS: We could just maintain status quo. I would favor 2-3 year contract, not one longer than 3 years.

JS: Window for renegotiation opens shortly after 3 years. What if the demand for more public access TV programming would cost more than anticipated?

KS: Some are hoping that a competitor to Comcast may arise in about 3 years.

TM: This package, if we go with it, implies a contract of about 10 years.

JS: Note that there is also a problem of time required to get your program off the ground.

PP: Let me know what you'd like me to bring to the School Board for budgeting. People in the school system are supportive.

TM: How about \$40,000?

Chair: \$10—15,000.

JS: On an annual basis? Follow up with Dottie Grove with regard to the budget.

Chair: Is the cost of equipment a one-time cost?

PB: We have a balancing act to perform, given that the status quo is unacceptable. What would a comparison of 5 yr. vs. 10 yr. contract costs show?

JS: Look at the time we have spent already in contract negotiations. Do you want to be doing this again in 1-2 years?

Chief: Costs rise over time.

PB: What are implications of a franchise fee less than \$6 per year?

JS: The line alone would cost about 29 cents /yr. The rest implies no more than 1/4 % of gross receipts, or about \$3 /yr., so then can you do what you want to do?

LM: Jay has already indicated Comcast can help with the financing of setup costs plus a dedicated line.

JS: Many of those who attended the public hearing showed a preference for live broadcasts, if possible, but we heard little about the franchise fee.

Chief: Again, we need better quality even given the status quo. We can't necessarily expect help from the School Board, and we need decision now on both franchise-related costs and franchise fees.

Chair: If someone better comes along, we could get out of the Comcast contract.

JS: Yes, if their contract mirrors ours.

TM: The Board of Selectmen said 75-80 cents is acceptable.

PP: My idea was to suggest a School Board contribution. Please, Committee, make a decision. The Cable Committee has its finger on the pulse of the community because members are involved. My sense of the community is that people want good information.

KS: If the BoS decide they don't want franchise fees or franchise-related costs or taxpayer dollars, then we're dead in the water, back to a 3-year time horizon and the status quo.

LM: The BoS can do what they want.

KS: We're talking about cable bills, not the Town.

Chief: I think town people will accept a reasonable level of fees.

PP: I'll bring it up to the School Board.

LM: We're still talking to taxpayers, whether school or Town.

PP: Can we do streaming video, to drop audio onto our web page? We need to be able to address community and parent communications.

Chair (question to PP): Can you look for grant money? PP: Yes

TM: Classrooms could get more via audio and TV.

Chair: Restate the motion [with 2<sup>nd</sup> from LM].

Chief: I move that we approve a 10 year length of contract with 75 cents per month per subscriber franchise fee to subscribers. [Note: Vote 6 for, 1 against]

Chief: Now to the Technology Fund.

LM: We need a Fund to get money.

Chief: We need a special revenue account article brought to Town Meeting, so I'm offering a motion: Establish a Special Revenue Account to allow Comcast to pay into a Fund.

JS: This would be done quarterly, biannually or annually, per contract? What happens if Town Mtg. notes the article down? Then what? Do you do away with the franchise fee?  
Wait another year?

WY: Hold the money in escrow?

LM: Comcast could require the money to be given back. The subscribers would be gyped if the money goes to the Town.

JS: The matter, the prospect, of a vote down needs to be examined. A negative vote would limit the ability of Comcast to advance money, too.

KS: Couldn't we take the franchise fees and apply them to the line? Franchise-related fees would be kept by Comcast.

JS: This matter needs further discussion.

PP: Question: Could a "Technology Fund" be a departmental fund?

Chief: No. Note the example of police dept. funds. I'm allowed to use some funds for training, for example, but this gets to be a sticky wicket.

VOTE: Unanimous in favor of the earlier motion.<sup>1</sup>

KS: The Selectmen can put this on Town Meeting ballot.

Chief: Please excuse me while I make a phone call.

Chair: Is there any more to be said with regard to infrastructure & \_\_\_\_\_?

LM: There may be equipment available in Sandown? At what expense?

JS: We'll find suppliers.

PB: We should have 2 channels plus one more to come.

LM: Yes (& including KS); the 3<sup>rd</sup> in six months.

JS: I'll remove constraint on broadcasting. We should return to the channels question. As for programming support, let's discuss when we start doing it. We can also expect some technical assistance from vendors.

LM: \_\_\_\_\_ ???

JS: Language with regard to the above should be part of the contract, but it may be settled in detail within six months of contract signing. We should do a work session, page by page, in advance of any meeting with the Board of Selectmen (BoS).

Chair: Yes, if you bring the pizza. Agreed. We'll order pizza and charge to the town.

KS: I couldn't be part of the meeting because of the need to tape BoS meetings.

LM: We could meet upstairs in Town Hall starting at 6:30.

JS: Do we have draft copies on hand?.

Chair: Yes.

The meeting was adjourned until Thursday night at 6:30.

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<sup>1</sup> The Committee also voted to approve a motion for biannual payments of franchise fees to the Town by Comcast.